

## **Furlough message to City of Birmingham employees Updated August 28, 2020**

COVID-19 has had a major impact across the globe, including in Birmingham. Due to the pandemic, our city is facing a \$63 million shortfall. This deficit has led to a call for several city cuts, including some furloughs of certain part-time and full-time employees. This document goes into details about the furloughs, job benefits, unemployment, retirement, pensions, the City's employee assistance program, financial counseling from Operation Hope, resume assistance and FMLA.

### **PART-TIME EMPLOYEE FURLOUGHS**

Certain City of Birmingham part-time employees will be indefinitely furloughed, effective September 2, 2020. These employees may qualify for unemployment based on Alabama State law qualification requirements. With the exception of Birmingham Public Library part-time employees, those who've already been identified for a furlough will be or should have already been notified. If part-time employees have questions about whether or not they will be furloughed, they should contact their department head. Library part-time employees should hear from the Library Board within the next few weeks as to their furlough status.

There is a written handbook about unemployment benefits. This handbook, known as The Alabama Department of Labor Benefit Rights and Responsibilities: A Handbook for Unemployment Compensation Claimants, can be found at [https://labor.alabama.gov/docs/guides/uc\\_brr.pdf](https://labor.alabama.gov/docs/guides/uc_brr.pdf). Additionally, attached you will find a notice entitled Notice of Availability of Unemployment Compensation, which the Alabama Department of Labor requires the City to provide a furloughed employee.

This reference material provides information relating to qualifications to receive unemployment as well as information relating to filing for unemployment. Your department payroll coordinator has some information relating to next steps for filing unemployment. Each part-time employee should submit an updated information sheet to their payroll coordinator no later than August 28, 2020. When submitting the information sheet, the employee should include their personal email address.

Please know that it is illegal to file for unemployment when still employed by the City. Doing so may constitute criminal fraud and may disqualify an employee from collecting unemployment benefits.

Please understand that furloughed employees must be without pay for at least one week prior to qualifying for unemployment. Additionally, because of how the City's pay periods are structured, employees' last wages will not be distributed until September 25, 2020. The Alabama Department of Labor will know that the last pay day for the City's part-time and full-time furloughed employees will be September 25, 2020.

Finally, please also know that furloughed part-time employees are expected to work all scheduled hours between now and September 1, 2020, according to City policy. If a furloughed part-time employee fails to report to a scheduled day of work, they will be considered to have abandoned their job. This could result in them losing their right to collect unemployment.

Anyone with questions about the part-time employee furloughs should email [humanresources@birminghamal.gov](mailto:humanresources@birminghamal.gov).

## **FULL-TIME EMPLOYEE FURLOUGHS**

### **Filing for Unemployment**

Certain City of Birmingham full-time employees will be indefinitely furloughed. Full-time employees who've been identified for a furlough should have already received or will receive an email letter or hand-delivered letter by their department director or representative. It is anticipated that the furlough for these full-time employees will begin on September 12, 2020. However, full-time library employees should hear from the Library Board within the next few weeks about their furlough status. These employees may be eligible for unemployment benefits. The City does not determine the qualifications for unemployment, the Alabama Department of Labor does. For example, if a full-time City employee set to be furloughed is also working another job, they may not qualify for unemployment. It is best for the employee to contact the Alabama Department of Labor for information. There is a written handbook about unemployment benefits. This handbook, known as The Alabama Department of Labor Benefit Rights and Responsibilities: A Handbook for Unemployment Compensation Claimants, can be found at [https://labor.alabama.gov/docs/guides/uc\\_brr.pdf](https://labor.alabama.gov/docs/guides/uc_brr.pdf).

As with part-time employees, the City will begin the unemployment process for each furloughed full-time employee to assist with the process. The date the full-time employee becomes eligible for unemployment will depend on the number of hours they have accumulated for vacation time. For example, an employee may have 160 vacation hours, which is the equivalent of 4 weeks of pay. In the eyes of the Alabama Department of Labor, this is considered to be wages for the next four (4) weeks, which can disqualify an employee from collecting unemployment for the four (4) weeks they get the vacation pay.

The employee's final paycheck for hours worked will be distributed on September 25, 2020.

As with part-time employees, the City will file the necessary paperwork with the Alabama Department of Labor. Each full-time furloughed employee should submit an updated information sheet to their payroll coordinator no later than September 28, 2020. When submitting the information sheet, the employee should include their personal email address.

Please know that it is illegal to file for unemployment when still employed by the City. Doing so may constitute criminal fraud and may disqualify an employee from collecting unemployment benefits.

Excessive absences prior to September 12, 2020, will result in discipline, which could include termination. If the full-time employee slated for an indefinite furlough is terminated prior to September 12, 2020, the employee will be unable to collect unemployment.

So what does this mean? If a full-time employee in this category has vacation time and would like to take it between now and September 12, 2020, they may do so. However, the employee should check with their supervisor for approval to take vacation. Employees in this section should also know that vacation taken prior to September 12, 2020 is subject to a pension deduction, pursuant to City ordinance. The sections below go into more detail about time spent away from the office before September 12, 2020.

#### **Accumulated Vacation Time**

All furloughed, full-time employees will be paid for any accumulated vacation hours for up to 320 hours. Those hours will be paid on the employee's final paycheck, which will be distributed on September 25, 2020.

#### **Medical and Pharmacy Coverage**

Full-time employees on an indefinite furlough will be allowed to continue their City of Birmingham medical and pharmacy coverage at employee rates for 3 months. This means that medical and pharmacy coverage will be extended until December 4, 2020. After December 4, 2020, furloughed full-time employees will be eligible to apply for COBRA coverage. Full-time furloughed employees must take it upon themselves to seek COBRA coverage, if they are interested. For more information on COBRA, please go to <https://www.dol.gov/general/topic/health-plans/cobra>.

#### **Medical and Pharmacy Coverage Costs between October 3, 2020 and December 4, 2020 for Full-time Furloughed Employees**

The City will pay 100% of the cost for medical and pharmacy insurance for individual coverage from September 12, 2020 until December 4, 2020. (This DOES NOT include dental and vision.) If an employee carries a family member or members on their City medical and pharmacy insurance, the employee will be responsible for a portion of cost of the medical and pharmacy coverage for that family member or family members from September 12, 2020 until December 4, 2020. The monthly cost of the coverage for the family member or family members will be as follows:

<b>Coverage Type</b>	<b>Total Cost</b>	<b>City of Birmingham Cost</b>	<b>Employee Cost Monthly</b>
<b>Value-Employee Only</b>	<b>\$209.30</b>	<b>\$209.30</b>	<b>\$0</b>
<b>Value-Employee +1</b>	<b>\$948.05</b>	<b>\$913.38</b>	<b>\$34.67</b>

<b>Value-Employee-Family</b>	<b>\$1,387.94</b>	<b>\$1,286.11</b>	<b>\$101.83</b>
<b>Premier-Employee Only</b>	<b>\$428.83</b>	<b>\$428.83</b>	<b>\$0</b>
<b>Premier-Employee +1</b>	<b>\$1,313.37</b>	<b>\$1,085.87</b>	<b>\$227.50</b>
<b>Premier-Family</b>	<b>\$1,837.09</b>	<b>\$1,475.26</b>	<b>\$361.83</b>

Employees are responsible for spousal and nicotine surcharges.

### **COBRA Coverage**

After December 4, 2020, full-time furloughed employees will be allowed to continue medical and pharmacy coverage for up to 18 months, starting December 5, 2020. COBRA rates for coverage are as follows:

<b>Coverage Type</b>	<b>Employee Cost</b>
<b>Value-Employee Only</b>	<b>\$213.49</b>
<b>Value-Employee +1</b>	<b>\$967.01</b>
<b>Value-Employee-Family</b>	<b>\$1,415.70</b>
<b>Premier-Employee Only</b>	<b>\$437.40</b>
<b>Premier-Employee +1</b>	<b>\$1,338.62</b>
<b>Premier-Family</b>	<b>\$1,873.83</b>

### **Dental, Vision and other voluntary benefits:**

A full-time furloughed employee's dental and vision benefits are covered up to October 3, 2020. After that time, the employee has the option to maintain their dental, vision and other voluntary benefits at their current premium level from September 12, 2020 to December 4, 2020.

#### **Dental**

<b>Coverage</b>	<b>Value Plan Cost</b>	<b>Premier Plan Cost</b>
Employee	\$0	\$6.80
Employee +1	\$3.70	\$26.65
Family	\$5.36	\$41.29

#### **Vision**

<b>Coverage</b>	<b>Cost</b>
Employee	\$4.58
Employee +1	\$9.21
Family	\$14.82

After December 4, 2020, full-time furloughed employees may seek dental and vision coverage through COBRA. The rates are listed below.

### **Dental**

<b>Coverage</b>	<b>Value Plan Cost</b>	<b>Premier Plan Cost</b>
Employee	\$12.04	\$20.37
Employee +1	\$23.15	\$46.32
Family	\$36.12	\$73.16

### **Vision**

<b>Coverage</b>	<b>Cost</b>
Employee	\$4.67
Employee +1	\$9.39
Family	\$15.12

### **Pension**

Full-time furloughed employees who are fully vested in the pension and want to retire before or by September 12, 2020, and want to draw their pension before or by September 12, 2020, have that option. However, if they do so, they will not qualify for unemployment because voluntary retirement precludes an individual from receiving unemployment, according to the Alabama Department of Labor.

Full-time furloughed employees in this category should initiate their retirement with their department payroll coordinator. If an employee elects to retire, they will be entitled to retiree health care benefits until they reach the age of 65.

Full-time furloughed employees eligible for a deferred retirement, may file their application for a deferred retirement with their payroll coordinator. If they elect to file for a deferred retirement at this time, they will be resigning from the City, effective the date they submit their retirement application. They will continue to receive the City's medical and pharmacy insurance through December 4, 2020 at the rates set in this notice. However, if the City calls back furloughed employees, the full-time employee in this category will lose their right to be reinstated as a City employee at the level they were when they retired.

If a full-time furloughed employee is not eligible for a deferred or vested retirement, they may seek a refund of their pension contributions. Pursuant to the pension statute, before an

employee can see a refund of pension contributions, they must no longer work for the city. By receiving a refund on their pension contributions, the employee forfeits any rights to be reinstated from the furlough in the position they previously held. They are free, however, to apply for the same position and other positions through the Personnel Board of Jefferson County. The employee will continue to receive the medical and pharmacy insurance coverage through December 4, 2021. Choosing this option will not affect the employee's right to collect unemployment. However, the employee will lose any right to be recalled by the city at the end of the indefinite furlough.

**Furloughed Employees Currently on FMLA:**

Full-time employees who've been identified to be furloughed and are currently on FMLA, are still subject to the furlough. Being on FMLA may affect the employee's ability to collect unemployment or the date which unemployment benefits may be available. Those with questions about this matter should contact [humanresources@birminghamal.gov](mailto:humanresources@birminghamal.gov).

**Behavioral Health Services:**

The City recognizes that a furlough can affect a person's life in many ways. Please remember the City provides employee assistance through Behavioral Health Services. Each full-time employee is entitled to up to six (6) counseling sessions each benefit year. The City has also made arrangements for part-time employees to receive up to six (6) sessions of counseling.

**Operation Hope**

We also want to remind employees that Operation Hope is a free financial counseling service that is available. For more information, employees may contact Shante Ross at [shante.ross@operationhope.org](mailto:shante.ross@operationhope.org).

**Human Resources Office Assistance with Resumes:**

Employees in need of assistance with drafting or revising their resume, should submit a request to [humanresources@birminghamal.gov](mailto:humanresources@birminghamal.gov).

For more information and resources on city furloughs, please visit [www.birminghamal.gov/furloughs](http://www.birminghamal.gov/furloughs).